

Rodica

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

G

W-01815A
Golden Shores Water Co., Inc.
P. O. Box 37
Topock AZ 86436

RECEIVED

MAR 07 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
----	----	------

FOR COMMISSION USE

ANN04	04
-------	----

COMPANY INFORMATION

Company Name (Business Name) GOLDEN SHORES WATER CO., INC.

Mailing Address P.O. BOX 37

(Street)

TOPOCK

(City)

AZ

(State)

86436

(Zip)

(928) 768-3110

Telephone No. (Include Area Code)

(928) 768-5359

Fax No. (Include Area Code)

(928) 768-4802

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address P.O. BOX 37

(Street)

TOPOCK

(City)

AZ

(State)

86436

(Zip)

(928) 768-3110

Local Office Telephone No. (Include Area Code)

(928) 768-5359

Fax No. (Include Area Code)

(928) 768-4802

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: LINDA BOYER

(Name)

(Title)

P.O. BOX 37

(Street)

TOPOCK

(City)

AZ

(State)

86436

(Zip)

(928) 768-3110

Telephone No. (Include Area Code)

(928) 768-5359

Fax No. (Include Area Code)

(928) 768-4802

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: NORMAN JAMES
(Name)

101 N. 1ST AVE #2700 PHOENIX AZ 85003
(Street) (City) (State) (Zip)

(602) 440-4817 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: SAME AS ABOVE
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME**GOLDEN SHORES WATER COMPANY****UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	1,800		1,800
304	Structures and Improvements	30,183	21,287	8,896
307	Wells and Springs	251,095	177,084	74,011
311	Pumping Equipment	90,991	64,171	26,820
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	44,771	31,575	13,196
331	Transmission and Distribution Mains	463,817	327,106	136,711
333	Services	61,328	43,251	18,077
334	Meters and Meter Installations	133,311	94,017	39,294
335	Hydrants	1,972	1,391	581
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	27,987	19,738	8,249
340	Office Furniture and Equipment	40,003	28,212	11,791
341	Transportation Equipment	55,635	39,236	16,399
343	Tools, Shop and Garage Equipment	11,979	8,448	3,531
344	Laboratory Equipment			
345	Power Operated Equipment	64,891	45,764	19,127
346	Communication Equipment	9,138	6,445	2,693
347	Miscellaneous Equipment	4,329	3,053	1,276
348	Other Tangible Plant	69,225	48,820	20,405
	TOTALS	1,362,455	959,598	402,856

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME**GOLDEN SHORES WATER COMPANY****CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	1,800		
304	Structures and Improvements	30,183	5%	1,509
307	Wells and Springs	251,095	5%	12,555
311	Pumping Equipment	90,991	5%	4,550
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	44,771	5%	2,239
331	Transmission and Distribution Mains	463,817	5%	23,191
333	Services	61,328	5%	3,066
334	Meters and Meter Installations	133,311	5%	5,927
335	Hydrants	1,972	5%	99
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	27,987	5%	1,399
340	Office Furniture and Equipment	40,003	5%	1,973
341	Transportation Equipment	55,635	5%	3,548
343	Tools, Shop and Garage Equipment	11,979	5%	572
344	Laboratory Equipment			
345	Power Operated Equipment	64,891	5%	3,245
346	Communication Equipment	9,138	5%	457
347	Miscellaneous Equipment	4,329	5%	216
348	Other Tangible Plant	69,225	5%	3,461
	SUBTOTALS	1,362,455		68,007
	Less: Amortization of Contributions			(2,735)
	TOTALS			65,272

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

ULLMANN
& COMPANY P.C.
Certified Public Accountants

To the Board of Directors of
Golden Shores Water Company, Inc.
Topock, Arizona

We have compiled the balance sheet of Golden Shores Water Company, Inc. (a corporation) as of December 31, 2004 and 2003, and the comparative statement of income and expense for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

Ullmann & Company

ULLMANN & COMPANY, P.C.
Certified Public Accountants

February 21, 2005

COMPANY NAME**GOLDEN SHORES WATER COMPANY****BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 121,183	\$ 279,566
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	34,792	32,607
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	13,046	3,426
162	Prepayments	1,875	0
174	Miscellaneous Current and Accrued Assets	18,136	29,415
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 189,032	\$ 345,014
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,322,390	\$ 1,362,455
103	Property Held for Future Use	30,785	30,785
105	Construction Work in Progress	1,725	146,412
108	Accumulated Depreciation - Utility Plant	891,591	959,598
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 463,309	\$ 580,054
	TOTAL ASSETS	\$ 652,341	\$ 925,068

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME**GOLDEN SHORES WATER COMPANY****BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 4,602	\$ 4,576
232	Notes Payable (Current Portion)	0	31,791
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	2,300	1,760
236	Accrued Taxes	25,305	26,235
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 32,207	\$ 64,362
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ -	\$ 248,194
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	33,069	54,205
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	54,697	54,697
272	Less: Amortization of Contributions	8,205	10,939
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 79,561	\$ 97,963
	TOTAL LIABILITIES	\$ 111,768	\$ 410,519
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 20,000	\$ 20,000
211	Paid in Capital in Excess of Par Value	25	25
215	Retained Earnings	520,548	494,524
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 540,573	\$ 514,549
	TOTAL LIABILITIES AND CAPITAL	\$ 652,341	\$ 925,068

COMPANY NAME**GOLDEN SHORES WATER COMPANY****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 445,192	\$ 458,454
460	Unmetered Water Revenue		
474	Other Water Revenues	2,098	10,758
	TOTAL REVENUES	\$ 447,290	\$ 469,212
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 141,880	\$ 132,831
610	Purchased Water		
615	Purchased Power	35,815	38,579
618	Chemicals		
620	Repairs and Maintenance	29,001	23,262
621	Office Supplies and Expense	11,888	7,431
630	Outside Services	83,347	103,247
635	Water Testing	10,124	5,404
641	Rents	4,800	4,800
650	Transportation Expenses	11,172	9,229
657	Insurance - General Liability	17,441	14,450
659	Insurance - Health and Life	46,197	37,574
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	11,684	16,819
403	Depreciation Expense	63,292	65,272
408	Taxes Other Than Income	15,177	18,618
408.11	Property Taxes	24,207	25,472
409	Income Tax	(13,218)	(11,677)
	TOTAL OPERATING EXPENSES	\$ 492,807	\$ 491,311
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 691	\$ 601
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	0	4,526
	TOTAL OTHER INCOME/EXP	\$ 691	\$ (3,925)
	NET INCOME/(LOSS)	\$ (44,826)	\$ (26,024)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	10/15/2004			
Source of Loan	Bank One			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 282,100	\$	\$	\$
Amount Outstanding	\$ 279,985	\$	\$	\$
Date of Maturity	1/15/2012			
Interest Rate	7.25%	%	%	%
Current Year Interest	\$ 4,480	\$	\$	\$
Current Year Principle	\$ 2,115	\$	\$	\$

Meter Deposit Balance at Test Year End	<u>\$ 54,205</u>
--	------------------

Meter Deposits Refunded During the Test Year	<u>\$ 6,102</u>
--	-----------------

COMPANY NAME GOLDEN SHORES WATER CO., INC.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
(1) 629199-L	50	350	520	12	3	1965
(2) 629198-L	25	200	200	12	4	1962
(3) 629200-L	30	200	520	8	3	1965
(4) 576-721	75	600	600	12	6	2000

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	1	25	1
20	4		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
#1 N/A	N/A	5000	1
#2 95,000	1	30000	1
#3/4 105,000	1	5000	1

COMPANY NAME

GOLDEN SHORES WATER CO., INC.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC/AC	149,274
5		
6	PVC/AZ	68,490
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	1430
1	
1 1/2	1
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

BUILDING 36 X 48 METAL

80 X 75 FENCE

OTHER:

BACK-HOE 416-B CATAPILLAR

COMPANY NAME: GOLDEN SHORES WATER CO., INC.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLON PUMPED (Thousands)
JANUARY	1346	7882000	8153700
FEBRUARY	1350	7898000	8728600
MARCH	1384	10008000	10822100
APRIL	1371	11104000	11597400
MAY	1373	12685000	13096500
JUNE	1372	17810000	18824400
JULY	1392	16022000	16134200
AUGUST	1381	13418000	14408900
SEPTEMBER	1390	15709000	17264800
OCTOBER	1393	10772000	12167500
NOVEMBER	1397	8282000	10308200
DECEMBER	1405	8084000	8295000
TOTAL		N/A	149801300

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system, see attached mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

ATTACHMENT (PAGE 12)

ARSENIC FOR EACH WELL:

WELL #	RESULT	UNITS	DATE
1	0.0085	mg/L	10/2005
2	0.0089	mg/L	10/2005
3 & 4	0.0087	mg/L	10/2005

COMPANY NAME GOLDEN SHORES WATER CO., INC. YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 24,995

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME GOLDEN SHORES WATER CO., INC. YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported (18,324)
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported (970)
Estimated or Actual State Tax Liability 45

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected N/A
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Linda Boyer
SIGNATURE

3-2-05
DATE

LINDA BOYER
PRINTED NAME

President
TITLE

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

MAR 07 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
MOHAVE
NAME (OWNER OR OFFICIAL) TITLE
LINDA BOYER
COMPANY NAME
GOLDEN SHORES WATER CO., INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 495,778

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 26,566
IN SALES TAXES BILLED, OR COLLECTED)**

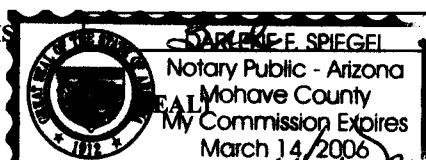
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Linda Boyer
SIGNATURE OF OWNER OR OFFICIAL
(928) 768-3110
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 31st DAY OF



MY COMMISSION EXPIRES March 2006

COUNTY NAME	MOHAVE
MONTH	March 20 <u>05</u>

Barbara E Spiegel
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAR 07 2005

VERIFICATION

AZ Corporation Commission
Director Of Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 462,708

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 24,794

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Linda Boyer
SIGNATURE OF OWNER OR OFFICIAL

(928) 768-9718

TELEPHONE NUMBER

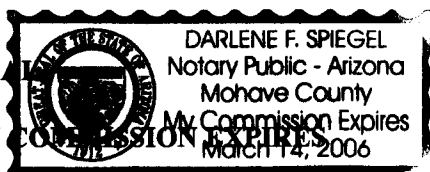
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 3rd **DAY OF**

(SEAL)

MY



14th March 2006

NOTARY PUBLIC NAME DARLENE F SPIEGEL	
COUNTY NAME Mohave	
MONTH March	20 05

X *Darlene F Spiegel*
SIGNATURE OF NOTARY PUBLIC

ULLMANN
& COMPANY P.C.
Certified Public Accountants

To The Board of Directors
Golden Shores Water Company, Inc.
Topock, Arizona

We have compiled the accompanying balance sheets of Golden Shores Water Company (a corporation) as of December 31, 2004 and 2003, and the related statements of loss for the years then ended, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

This report is intended solely for the information and use of the owners, management, and others within the company and is not intended to be and should not be used by anyone other than these specified parties.

Ullmann & Company

Ullmann & Company, P.C.
Certified Public Accountants

February 19, 2005

Golden Shores Water Company, Inc.

Balance Sheets

December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
<u>Utility Plant</u>		
Plant in Service	\$ 1,393,240	\$ 1,353,175
Accumulated Depreciation	959,598	891,591
<u>Net Plant in Service</u>	\$ 433,642	\$ 461,583
Construction Work In Progress	146,412	1,725
<u>Net Utility Plant</u>	\$ 580,054	\$ 463,308
 <u>Current Assets</u>		
Cash	\$ 279,564	\$ 121,184
Accounts Receivable	32,607	34,792
Prepayments	0	1,875
Materials & Supplies	3,426	13,046
<u>Total Current Assets</u>	\$ 315,597	\$ 170,897
 <u>Other Assets</u>		
Deferred Income Taxes	\$ 26,069	\$ 18,136
Deferred Loan Fees	3,346	0
<u>Total Other Assets</u>	\$ 29,415	\$ 18,136
 <u>Total Assets</u>	\$ 925,066	\$ 652,341

STOCKHOLDER'S EQUITY & LIABILITIES

<u>Stockholder's Equity</u>		
Common Stock	\$ 20,000	\$ 20,000
Paid-in Capital	25	25
Retained Earnings	494,523	520,548
<u>Total Stockholder's Equity</u>	\$ 514,548	\$ 540,573
 <u>Contributions in Aid of Construction</u>	\$ 43,757	\$ 46,492
 <u>Long Term Debt, Less Current Portion</u>	\$ 248,194	\$ 0
 <u>Current Liabilities</u>		
Accounts Payable	\$ 4,576	\$ 4,602
Current Portion of Long-Term Debt	31,791	0
Accrued Other Taxes	13,655	13,202
Accrued Property Taxes	12,580	12,103
<u>Total Current Liabilities</u>	\$ 62,602	\$ 29,906
 <u>Deferred Liabilities</u>		
Customer Deposits	\$ 55,965	\$ 35,369
<u>Total Deferred Liabilities</u>	\$ 55,965	\$ 35,369
 <u>Total Stockholder's Equity & Liabilities</u>	\$ 925,066	\$ 652,341

See Accountants' Compilation Report

Golden Shores Water Company, Inc.
Statements of Loss
Years Ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<u>Operating Revenue</u>		
Water Sales	\$ 458,454	\$ 445,192
Other Operating Revenue	10,758	2,098
<u>Total Operating Revenue</u>	\$ 469,212	\$ 447,290
<u>Operating Expenses</u>		
Depreciation	\$ 65,271	\$ 63,292
Salaries & Wages	132,831	141,880
Pumping Power	38,579	35,815
Water Analysis	5,404	10,124
Repairs & Maintenance	28,392	36,143
Office Supplies & Expenses	7,431	11,888
Outside Services	103,247	83,347
Rents	4,800	4,800
Transportation Expense	6,098	5,672
Insurance	52,025	63,638
General Operating	16,819	11,684
Taxes Other Than Income	42,092	37,742
Income Tax Expense (Benefit)	(11,677)	(13,218)
<u>Total Operating Expenses</u>	\$ 491,312	\$ 492,806
<u>Operating Income Loss</u>	\$ (22,100)	\$ (45,516)
<u>Other Revenue (Expenses)</u>		
Interest Income	\$ 601	\$ 691
Interest Expense	(4,526)	0
<u>Total Other Revenue (Expenses)</u>	\$ (3,925)	\$ 691
<u>Net Loss</u>	\$ (26,025)	\$ (44,826)

See Accountants' Compilation Report

MOHAVE COUNTY TREASURER Tax Receipt

Pg: 1

Phone: (928) 753-0737

Paid by: GOLDEN SHORES WATER CO CK13079

CNTR BATCH: 5439449

Payment Date: 2/25/2004

Interest Date: 2/25/2004

Printed by: YERBYK

PO BOX 37

TOPOCK, AZ 86436

Description	Amount	Balance Due --- If paid by
210-22-032 2003 TAXES	58.00	
✓ TOTL	58.00 *	
TOTAL PAID	58.00	
The balance due might contain amounts from previous del		
TWN: 16N RNG: 21W SEC: 11 TRACT:		
GOLDEN SHORES UNIT 6		
BLK A LOT 32		
210-22-033 2003 TAXES	58.00	
✓ TOTL	58.00 *	
TOTAL PAID	58.00	
The balance due might contain amounts from previous del		
TWN: 16N RNG: 21W SEC: 11 TRACT:		
GOLDEN SHORES UNIT 6		
BLK A LOT 33		
914-31-271 2003 TAXES	11,784.87	
TOTL	11,784.87 *	
TOTAL PAID	11,784.87	
The balance due might contain amounts from previous del		
TOTAL VALUE OF OPERATING PROPERTY		
914-31-272 2003 TAXES	318.40	
✓ TOTL	318.40 *	
TOTAL PAID	318.40	
The balance due might contain amounts from previous del		
TOTAL VALUE OF OPERATING PROPERTY		
210-22-082	4,046	210-25-082
3,910	210-26-032	11,500 210-26-44
8	675	

PLEASE RETURN YOUR 2003 SECOND (2nd) HALF PAYMENT OF
PLEASE ALLOW 6 TO 8 WEEKS FOR PROCESSING OF YOUR PAYMENT
RECEIPT REQUESTED *14 13071 21724*

318.40

DUE Mar 1, 2004

PLEASE MAKE YOUR CHECK PAYABLE TO: ➡ MOHAVE COUNTY TREASURER
PLEASE SEND ALL PAYMENTS TO: ➡ DORA E. GOODMILLER
P.O. BOX 712
KINGMAN, AZ 86402-0712
LOCATION: 313 E. OAK ST.

SECOND 2nd HALF TAXES
ARE DELINQUENT AFTER
MAY 3, 2004

PLEASE DO NOT WRITE BELOW THIS LINE OR PAYMENT WILL BE REJECTED.

9143127200000000000000000031840

PARCEL IDENTIFICATION NUMBER
21022033

ROLL NUMBER
0055662

SITUS ADDRESS
12506 S APACHE PKWY

PLEASE RETURN YOUR 2003 SECOND (2nd) HALF PAYMENT OF
PLEASE ALLOW 6 TO 8 WEEKS FOR PROCESSING OF YOUR PAYMENT
RECEIPT REQUESTED *1/2 US*

58.00

DUE Mar 1, 2004

PLEASE MAKE YOUR CHECK PAYABLE TO: ➡ MOHAVE COUNTY TREASURER
PLEASE SEND ALL PAYMENTS TO: ➡ DORA E. GOODMILLER
P.O. BOX 712
KINGMAN, AZ 86402-0712
LOCATION: 313 E. OAK ST.

SECOND 2nd HALF TAXES
ARE DELINQUENT AFTER
MAY 3, 2004

PLEASE DO NOT WRITE BELOW THIS LINE OR PAYMENT WILL BE REJECTED.

2102203300000000000000000005800

PARCEL IDENTIFICATION NUMBER
21022032

ROLL NUMBER
0055661

SITUS ADDRESS
12512 S APACHE PKWY

PLEASE RETURN YOUR 2003 SECOND (2nd) HALF PAYMENT OF
PLEASE ALLOW 6 TO 8 WEEKS FOR PROCESSING OF YOUR PAYMENT
RECEIPT REQUESTED

58.00

DUE Mar 1, 2004

PLEASE MAKE YOUR CHECK PAYABLE TO: ➡ MOHAVE COUNTY TREASURER
PLEASE SEND ALL PAYMENTS TO: ➡ DORA E. GOODMILLER
P.O. BOX 712
KINGMAN, AZ 86402-0712
LOCATION: 313 E. OAK ST.

SECOND 2nd HALF TAXES
ARE DELINQUENT AFTER
MAY 3, 2004

PLEASE DO NOT WRITE BELOW THIS LINE OR PAYMENT WILL BE REJECTED.

2102203200000000000000000005800

PARCEL IDENTIFICATION NUMBER
91431271

ROLL NUMBER
0235778

SITUS ADDRESS
10,

PARCEL IDENTIFICATION	ROLL NUMBER	TAX AREA CODE	SITUS ADDRESS
91431271	0235778	01271	10,

TOTAL VALUE OF OPERATING PROPERTY

GOLDEN SHORES WATER CO
LINDA BOYER/PRESIDENT

P O BOX 37
TOPOCK 86436

00206 00156

PRIMARY PROPERTY TAX CALCULATION (1)			
ITEM	UNITED VALUE	ASSTMT. %	ASSESSD VALUE
LAND, BLDGS, ETC.	36899	25.0	9225
PERSONAL PROPERTY	747970		186993
TOTALS →	784869		196218
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	7.9784	15655.06
PERSONAL PROPERTY	0		
TOTALS →			15655.06
SECONDARY PROPERTY TAX CALCULATION (2)			
ITEM	FULL CASH VALUE	ASSTMT. %	ASSESSD VALUE
LAND, BLDGS, ETC.	36899	25.0	9225
PERSONAL PROPERTY	747970		186993
TOTALS →	784869		196218
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	4.5101	7914.68
PERSONAL PROPERTY	0		
TOTALS →			7914.68

TAX DISTRIBUTION (4)					TAX SUMMARY (3)	
TAX CODE	TAX JURISDICTION	2003 TAX	2002 TAX	CURRENT RATE/100		
02000	MOHAVE COUNTY	3433.82	3276.32	1.75000	PRIMARY	
02001	School Equalization	925.56	915.32	.47170	AD VALOREM TAX	15655.06
05012	TOPOCK ELEM SCHL DIST #12	5760.78	7458.20	2.93590	LESS STATE AID	
06200	COLORADO RIVER UHS #2	3676.14	3676.22	1.87350	TO EDUCATION	.00
08150	MOHAVE COMMUNITY COLLEGE	1858.76	1759.46	.94730	NET PRIMARY	
11212	GOLDEN SHRS FD	4406.68	4223.64	2.24580	AD VALOREM TAX	15655.06
11900	FIRE DIST ASSIST FUND	196.22	187.22	.10000	SECONDARY	
14900	MO CO LIBRARY DIST	634.96	605.84	.32360	AD VALOREM	7914.68
15000	MO CO FLOOD CONTROL DIST	46.12	44.26	.50000	SPECIAL	
28000	MO CO TV CID	170.12	162.32	.08670	DISTRICT TAX	.00
55012	TOPOCK ELEM BONDS	.00	.00	.00000	SPECIAL	
56200	COL RIV UNION H S SECOND	.00	.00	.00000	ASSESSMENTS	.00
65012	SD #12 CLASS A BONDS	1008.18	1002.74	.51380	TOTAL TAX DUE →	23569.74
66200	SD #2 CLASS A BONDS	1452.40	1664.92	.74020	HALF TAX →	11784.87
TOTALS →					DELINQUENT DATES	
					VALUATION DATE	
					ASSESSMENT DATE	
					THIS IS THE ONLY NOTICE YOU WILL RECEIVE.	
					NO RECEIPT WILL BE SENT UNLESS REQUESTED.	

JAN. 1, 2003

DEC. 31, 2003

MOHAVE COUNTY, ARIZONA
TAX YEAR: 2003

PARCEL IDENTIFICATION 91431272	ROLL NUMBER 0235779	TAX AREA CODE 01272	SITUS ADDRESS :
-----------------------------------	------------------------	------------------------	--------------------

TOTAL VALUE OF OPERATING PROPERTY
 ✓ 210-22-082 4,046 ✓ 210-25-082 11,500 ✓ 210-26-44
 3,910 ✓ 210-26-032
 8 675

GOLDEN SHORES WATER CO
LINDA BOYER/PRESIDENT

P O BOX 37
TOPOCK 86436

00206 00155

PRIMARY PROPERTY TAX CALCULATION (1)			
ITEM	LIMITED VALUE	ASMT. %	ASSESSED VALUE
LAND, BLDGS, ETC.	20131	25.0	5033
PERSONAL PROPERTY	0		0
TOTALS →	20131		5033
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	7.9784	401.56
PERSONAL PROPERTY	0		
TOTALS →			401.56
SECONDARY PROPERTY TAX CALCULATION (2)			
ITEM	FULL CASH VALUE	ASMT. %	ASSESSED VALUE
LAND, BLDGS, ETC.	20131	25.0	5033
PERSONAL PROPERTY	0		0
TOTALS →	20131		5033
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	4.6743	235.24
PERSONAL PROPERTY	0		
TOTALS →			235.24

TAX DISTRIBUTION (4)				
TAX CODE	TAX JURISDICTION	2003 TAX	2002 TAX	CURRENT RATE/100
02000	MOHAVE COUNTY	80.08	88.08	1.75000
02001	School Equalization	23.74	24.62	.47170
05012	TOPOCK ELEM SCHL DIST #12	147.76	200.50	2.93590
06200	COLORADO RIVER UHS #2	94.30	98.82	1.87350
08150	MOHAVE COMMUNITY COLLEGE	47.68	47.30	.94730
11212	GOLDEN SHRS FD	113.02	113.54	2.24580
11900	FIRE DIST ASSIST FUND	5.04	5.04	.10000
14900	MO CO LIBRARY DIST	16.28	16.28	.32360
15000	MO CO FLOOD CONTROL DIST	25.18	25.18	.50000
16730	GLDN SHRS WATER CONS DIS	.00	.00	.00000
21270	TOPOCK/GOLDEN SHORE SANI	8.26	7.36	.16420
28000	MO CO TV CID	4.36	4.36	.08670
55012	TOPOCK ELEM BONDS	.00	.00	.00000
56200	COL RIV UNION H S SECOND	.00	.00	.00000
65012	SD #12 CLASS A BONDS	25.86	26.96	.51380
66200	SD #2 CLASS A BONDS	37.24	44.76	.74020
TOTALS →		636.80	702.80	

TAX SUMMARY (3)	
PRIMARY	
AD VALOREM TAX	401.56
LESS STATE AID TO EDUCATION	.00
NET PRIMARY	
AD VALOREM TAX	401.56
SECONDARY	
AD VALOREM	235.24
SPECIAL DISTRICT TAX	.00
SPECIAL ASSESSMENTS	.00
TOTAL TAX DUE →	636.80
HALF TAX →	318.40
DELINQUENT DATES	
VALUATION DATE	
ASSESSMENT DATE	
THIS IS THE ONLY NOTICE YOU WILL RECEIVE. NO RECEIPT WILL BE SENT UNLESS REQUESTED.	